



16 September 2024

ASX RELEASE (ASX: SCL)

Chairman's Address to the Scheme Meeting

Schrole Group Ltd (ASX: SCL) (**Schrole** or the **Company**) is pleased to provide the following extract from the Chairman's Address to the scheme meeting of shareholders to be held this morning (**Scheme Meeting**).

"Good morning all. My name is Shaun Hardcastle and I have been appointed by the Directors, and by the orders of the Honourable Justice Strk of the Supreme Court of Western Australia, to Chair this Scheme Meeting of Schrole Group Limited.

I would like to begin by welcoming you to today's Scheme Meeting and thank you all for your attendance.

Today is an important day in the history of Schrole. Today, shareholders will be asked to vote on a proposed Scheme of Arrangement under which TES Aus Global Pty Limited (**TES**) proposes to acquire all of the issued ordinary shares in Schrole.

Under this proposal, Schrole shareholders will receive a cash consideration of A\$0.4852 per share held on the Record Date which represents a significant premium on recent trading prices prior to the Scheme of Arrangement being announced.

With those introductory remarks, please allow me to proceed with the formal part of today's Scheme Meeting.

Business of Meeting

The purpose of the Scheme Meeting is to seek the agreement of shareholders to the Scheme.

With the time now having just passed 10:00am and having been advised that a quorum is present, I declare the Scheme Meeting open.

Before I introduce your Directors, I will outline the conduct of today's meeting.

I remind everyone that this is a shareholders' meeting and only holders of Schrole shares, appointed proxies, authorised corporate representatives and attorneys are entitled to vote and speak at this meeting. We have allowed visitors into the meeting.

I would be grateful if you could all check that your mobile devices are switched off or on silent. I note that the taking or recording of photographs, videos or audio of the meeting or its proceedings, by any means, is not permitted.

Schrole representatives and apologies

I would like to now introduce you to:

- Matt Adams – Non-Executive Chairman;
- Rob Graham – Managing Director;
- Caroline Brokvam – Non-Executive Director;
- Guy Perkins – Non-Executive Director;
- Colm O'Brien – Non-Executive Director;
- Diana Shepherd – Chief Financial Officer; and

- Jack Rosagro – Company Secretary.

I am also joined here today by representatives of Schrole's share registry, Automic, who will be assisting in the poll process of the Scheme Meeting.

Brief overview of the Scheme

The proposed acquisition of Schrole by TES is to occur by way of a scheme of arrangement under Part 5.1 of the Corporations Act (**Scheme**).

If the Scheme is not approved today, the Scheme will not proceed and you will not receive the cash consideration. Instead, you will retain your Schrole shares and Schrole will continue to operate as a standalone entity.

If the Scheme is approved and implemented, Schrole Shareholders will receive \$0.4852 for every Schrole share held by them on the Record Date for the Scheme (expected to be 7:00pm (AWST) on 25 September 2024). If the Scheme is implemented, Schrole will be removed from the official list of the ASX and Schrole will ultimately be owned by TES.

Information about TES

Information regarding TES and its group companies is set out in section 6 of the Scheme Booklet dated 16 August 2024.

By way of brief summary, TES is a wholly-owned Australian subsidiary of TES Global Limited (**TES Global**), which is an education technology company incorporated in the United Kingdom with its registered office based in Sheffield, England. TES Global provides a number of high-value software products and services to schools, with a focus on offering staffing solutions for education providers as well as enhancing curriculum and classroom management for teachers. TES Global currently operates in Australia through TES, working with approximately 1,300 Australian schools.

The Board's recommendation

As set out in the Scheme Booklet, the Schrole Board have unanimously recommended, and as at the date of this meeting, continue to recommend, that Schrole shareholders vote in favour of the Scheme in the absence of a superior proposal.

As at the date of this meeting, the Directors have an aggregate relevant interest in 4,460,371 Schrole shares equating to approximately 12.85% of all Schrole shares on a fully diluted basis.

Section 1.2 of the Scheme Booklet includes additional information regarding the reasons for the Board's recommendations, and section 1.4 of the Scheme Booklet includes additional reasons why you may choose to vote against the Scheme.

It is noted that in the event that Schrole shareholders approve the Scheme Resolution, Mr Rob Graham will be entitled to a lump sum payment from Schrole equal to 12 months' base salary. This payment arises from the change of control event provided for under the terms of his employment agreement.

In addition, subject to Mr Graham remaining employed by the Schrole group until the Scheme becomes effective, currently anticipated to be 20 September 2024, 828,000 Schrole performance rights will automatically vest and will convert into 828,000 Schrole shares.

The interests of the Directors are disclosed in section 9 of the Scheme Booklet.

Independent Expert's recommendation

The Schrole Board appointed BDO Corporate Finance (WA) Pty Ltd as the independent expert to assess the merits of the Scheme.

The independent expert has concluded that the Scheme is fair and reasonable, and in the best interests of Schrole shareholders taken as a whole in the absence of a superior proposal. A full copy of the independent expert's report is set out in Annexure B of the Scheme Booklet.

Conditions

The Scheme is subject to certain conditions, as outlined in section 8.7(c) of the Scheme Booklet, clause 3.1 of the

Scheme Implementation Deed and section 2.1 of the Scheme of Arrangement. A full copy of the Scheme Implementation Deed and Scheme of Arrangement is contained in Annexures C and D of the Scheme Booklet respectively.

The Schrole Board is not currently aware of any reasons as to why the remaining conditions will not be resolved prior to the Second Court Hearing for the Scheme, which is listed for 4.15pm (AWST) on 19 September 2024.

TES have advised that the condition regarding the receipt of the Australian Commonwealth Government's approval under the *Foreign Acquisitions and Takeovers Act 1975* (Cth) is not required for the Scheme and has waived this condition.

Voting procedure

Proxies have been received and inspected for the Scheme Meeting and all those validly lodged have been accepted. The details of the proxies received will be read later when this meeting considers the Scheme Resolution.

As set out in the Notice of Scheme Meeting, voting will be conducted by way of a poll. You should have received a voting card on registration for this meeting. If you do not have one, please see the Automic representative and they will assist you.

Please note that only Shareholders registered as at 7:00pm (AWST) on 14 September 2024, or their duly appointed proxies, attorneys or corporate representatives, can vote on the Scheme Resolution.

When the Scheme Resolution is put to the meeting, the voting cards will be collected by a representative of Automic.

Questions

If Shareholders wish to ask a question during the meeting, I confirm that you will be given the opportunity to ask questions of the Board as they relate to the resolution. However, if your questions concern the voting process, please do not hesitate to ask a Automic representative during the meeting at the appropriate juncture.

During question time, please state your name and whether you are speaking as a Shareholder, proxy or corporate representative so members of the Board can address you.

Formal business

We will now commence the formal part of this meeting.

The purpose of this meeting is to consider and, if thought fit, to pass a resolution to agree to the Scheme. This resolution is set out in the Notice of Scheme Meeting which is contained in Annexure F of the Scheme Booklet dated 16 August 2024.

To approve the Scheme, the Scheme Resolution needs to be approved by:

- a majority in number of shareholders of Schrole present and voting at the meeting (whether by direct vote or by appointing a proxy, corporate representative or attorney); and
- at least 75% of the total number of votes cast on the resolution (whether by direct vote or by appointing a proxy, corporate representative or attorney).

I now propose the following ordinary resolution:

"That, pursuant to and in accordance with section 411 of the Corporations Act 2001 (Cth):

- the scheme of arrangement proposed between Schrole Group Ltd and the holders of its fully paid ordinary shares (Scheme), the terms of which are contained in and more particularly described in the Scheme Booklet (of which this Notice of Meeting forms part) is approved (with or without any modifications, alterations or conditions agreed in writing between SCL and TES and approved by the Court or any modifications, alterations or conditions as thought just by the Court to which SCL and TES agree in writing); and*
- the directors of SCL are authorised, subject to the terms of the Scheme Implementation Deed:*
 - to agree to any modifications, alterations or conditions with TES;*

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- (ii) *to agree to any modifications, alterations or conditions as are thought just by the Court; and*
 - (iii) *subject to approval of the Scheme by the Court, to implement the Scheme with any such modifications, alterations or conditions.”*

Next steps

The results of the poll will be announced to the ASX after this meeting. If the requisite majorities of Shareholders approve the Scheme Resolution, the Scheme will be taken to be approved by Shareholders.

If the Scheme Resolution is passed by the requisite majorities, and all other remaining conditions are satisfied or waived, then Schrole will apply to the Supreme Court for orders approving the Scheme.

Any Schrole shareholder who wishes to oppose the approval of the Scheme by the Court may do so by filing with the Court and serving on Schrole a notice of appearance, in the prescribed form, together with any affidavit on which that shareholder wishes to rely on at the hearing. The notice of appearance and any affidavit must be served on Schrole at its address for service at least one day before 19 September 2024.”

ENDS

This release was authorised by the Board of Directors.

For further information please contact:

Investors

Rob Graham

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